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RISK RETURN ANALYSIS OF EQUITY GROWTH FUNDS

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ABSTRACT

The case study was conducted with the objective to undertake the risk return analysis of open ended short term equity Mutual Funds for the period April 2015 to March 2018.The study was based on the secondary data such as monthly NAV's of different schemes, monthly index of BSE index, monthly rates of 364 days Treasury bill which was collected from different sites like www.valueresearchonline.com,www.amfiindia.com, www.bseindia.com and www.rbi.org. Mutual Funds are broadly classified into open ended and close ended based on their structure. From this, open ended funds were selected, because they are flexible and highly liquid, they invest in things that allow them to quickly sell and receive cash from the sale of the securities SBI IT Fund-Direct Plan-Growth, SBI Small and Midcap Fund-Direct Plan-Growth and ICICI Prudential Technology Fund-Direct Plan-Growth were selected based on the performance. Return analysis of mutual fund is carried out by using NAV and compared with market return and portfolio return. There are five main indicators of investment risk that apply to the analysis of Mutual Fund portfolio. They are Standard Deviation, Beta, Sharpe Ratio, Jensen's Measure (Alpha) and Treynor's Ratio. From the risk return analysis of three selected open ended diversified growth equity funds it found that all the funds perform better than the market where as their return is higher than the risk free return .The selected three funds shows a positive alpha value. From the study it is revealed that SBI Small and Midcap Fund-Direct Plan-Growth performs better than the other two funds SBI IT Fund-Direct Plan-Growth and ICICI Prudential Technology Fund-Direct Plan-Growth. On an overall analysis we can conclude that investment in these selected diversified equity growth funds is a better option than investing in the treasury bills.

KEYWORDS: *Mutual Funds, Risk Analysis, Return Analysis, Open Ended*

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